

# Tax Rate Impact on Homes in Des Moines (revised proposal Dec 12)

<b>Median DSM</b>	<b>Market</b>	<b>Residential</b>	<b>Taxable</b>	<b>City</b>	<b>Average Home</b>
<u>House</u>	<u>Valuation</u>	<u>Rollback</u>	<u>Valuation</u>	<u>Tax Rate</u>	<u>Annual City Taxes</u>
FY12	\$ 118,300	48.5%	\$ 57,376	\$ 16.58	\$ 951
				\$ 0.34	<-- City Manager recommended tax rate increase
FY13	\$ 113,000	50.8%	\$ 57,348	\$ <b>16.92</b>	\$ 970
					\$ 19 Annual Increase in City Taxes

Market values in Polk Co. are decreasing by 3.4% on average.

The Residential Rollback is set by the State and will increase to 50.8% for next year (FY13).

The Taxable Valuation is simply the Market Valuation multiplied by the Rollback.

The calculation for Taxes is the Taxable Valuation / \$1,000 multiplied by the Tax Rate.

Formula:

$$\begin{aligned}
 & \$ 113,000 \text{ Market Valuation} \\
 & * 50.8\% \text{ Multiply by Rollback} \\
 & = \$ 57,348 \text{ Taxable Valuation} \\
 & / \$ 1,000 \text{ Divide by \$1,000} \\
 & = \$ 57.35 \\
 & * \$ 16.92 \text{ Multiply by Recommended Tax Rate} \\
 & = \$ 970 \text{ Annual City Taxes Paid for FY 13}
 \end{aligned}$$

## Other Examples

<b>\$100,000</b>	<b>Market</b>	<b>Residential</b>	<b>Taxable</b>	<b>City</b>	<b>\$100,000 Home</b>
<u>House</u>	<u>Valuation</u>	<u>Rollback</u>	<u>Valuation</u>	<u>Tax Rate</u>	<u>Annual City Taxes</u>
FY12	\$ 100,000	48.5%	\$ 48,500	\$ 16.58	\$ 804
				\$ 0.34	<-- City Manager recommended tax rate increase
FY13	\$ 96,600	50.8%	\$ 49,025	\$ <b>16.92</b>	\$ 829
					\$ 25 Annual Increase in City Taxes

<b>\$150,000</b>	<b>Market</b>	<b>Residential</b>	<b>Taxable</b>	<b>City</b>	<b>\$150,000 Home</b>
<u>House</u>	<u>Valuation</u>	<u>Rollback</u>	<u>Valuation</u>	<u>Tax Rate</u>	<u>Annual City Taxes</u>
FY12	\$ 150,000	48.5%	\$ 72,750	\$ 16.58	\$ 1,206
				\$ 0.34	<-- City Manager recommended tax rate increase
FY13	\$ 144,900	50.8%	\$ 73,537	\$ <b>16.92</b>	\$ 1,244
					\$ 38 Annual Increase in City Taxes

<b>\$200,000</b>	<b>Market</b>	<b>Residential</b>	<b>Taxable</b>	<b>City</b>	<b>\$200,000 Home</b>
<u>House</u>	<u>Valuation</u>	<u>Rollback</u>	<u>Valuation</u>	<u>Tax Rate</u>	<u>Annual City Taxes</u>
FY12	\$ 200,000	48.5%	\$ 97,000	\$ 16.58	\$ 1,608
				\$ 0.34	<-- City Manager recommended tax rate increase
FY13	\$ 193,200	50.8%	\$ 98,049	\$ <b>16.92</b>	\$ 1,659
					\$ 51 Annual Increase in City Taxes